United Nations A/53/895

General Assembly

Distr.: General
1 April 1999

Original: English

Fifty-third session
Agenda items 122 (a) and (b), 124 (a), 130, 131, 136, 138, 141 and 143 (a)

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force; United Nations Interim Force in Lebanon

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financing of the United Nations Peacekeeping Force in Cyprus

Financing of the United Nations Observer Mission in Georgia

Financing of the United Nations Mission of Observers in Tajikistan

Financing of the United Nations Mission in Bosnia and Herzegovina

Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping operations

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. During its meetings held in February and March 1999, the Advisory Committee on Administrative and Budgetary Questions considered the financial performance reports for the period from 1 July 1997 to 30 June 1998 and the proposed budgets for the period from 1 July 1999 to 30 June 2000 of the peacekeeping operations listed below. The Committee's reports on each of those missions are submitted as addenda to the present report, as follows:

(a) United Nations Disengagement Observer Force (UNDOF) (A/53/895, Add.1);

(b) United Nations Interim Force in Lebanon (UNIFIL) (A/53/895, Add.1);

(c) United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/53/895, Add.2);

(d) United Nations Peacekeeping Force in Cyprus (UNFICYP) (A/53/895, Add.3);

99-09615 (E) 160499

(e) United Nations Observer Mission in Georgia (UNOMIG) (A/53/895, Add.4);

(f) United Nations Mission of Observers in Tajikistan (UNMOT) (A/53/895, Add.5);

(g) United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the liaison offices at Zagreb and Belgrade and the United Nations Mission of Observers in Prevlaka (UNMOP) (A/53/895, Add.6);

(h) United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH) (A/53/895, Add.7);

(i) United Nations Logistics Base at Brindisi (A/53/895/Add.8).

2. The Committee also considered the financial performance reports for the United Nations Observer Mission in Liberia (UNOMIL) for the periods from 1 July 1996 to 30 June 1997 and from 1 July 1997 to 30 June 1998 (A/52/401/Add.1 and 2 and A/53/802); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group for the period from 1 July 1997 to 30 June 1998 (A/53/742) and the final disposition of the assets of those operations (A/53/838); and the Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA) for the period from 15 February to 31 May 1997 (A/53/775). The reports of the Committee on UNOMIL, UNTAES and MINUGUA are contained in documents A/53/896, A/53/897 and A/53/898, respectively.

3. The Committee also considered the revised budget estimates for the period from 1 July 1998 to 30 June 1999 for the United Nations Civilian Police Mission in Haiti (A/53/789). The Committee's report is contained in document A/53/846.

4. Further, the Committee considered the report on the losses of United Nations property of the United Nations Transitional Authority in Cambodia (UNTAC) (A/53/340), as well as notes by the Secretary-General on the financing of the United Nations Operation in Somalia (A/C.5/53/52); the United Nations Mission in Haiti (A/C.5/53/55); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and United Nations Peace Forces headquarters (A/C.5/53/56); and the United Nations Assistance Mission for Rwanda (A/C.5/53/57). The Committee's observations and comments are set out in paragraphs 43 to 55 below.

5. In addition, the Committee considered the report of the Board of Auditors to the General Assembly on the accounts of the United Nations peacekeeping operations for the financial period ending 30 June 1998 (A/53/5, vol. II)[1]. The report of the Committee will be issued in May 1999.

6. In view of changed circumstances and pending further developments, including such action as the Security Council may take, the Committee postponed consideration of the financial performance reports for the period from 1 July 1997 to 30 June 1998 and the proposed budgets for the period from 1 July 1999 to 30 June 2000 of the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Mission for the Referendum in Western Sahara (MINURSO), as well as the proposed budget for the period from 1 July 1999 to 30 June 2000 of the United Nations Observer Mission in Sierra Leone (UNOMSIL). The Committee is still awaiting submission by the Secretary-General of reports on the United Nations Mission in the Central African Republic (MINURCA) and the United Nations Observer Mission in Angola (MONUA).

II. General observations

7. The Committee commends the Secretariat for the improvements in the format and content of the performance reports and the proposed budgets which were introduced following the Committee's observations, conclusions and recommendations contained in its previous report (A/52/860). As a result, both performance and budget documents have been streamlined, made shorter and more user-friendly, contain fewer errors and/or revisions compared with previous documentation and have been submitted in a timely manner, although most of them were submitted as advance copies in English only; the Committee believes that there is still room for improvement in this regard. Periodic changes have also been made in costing standards and in the cost manual for peacekeeping operations. The full effect of the Committee's observations, conclusions and recommendations (see A/52/860) will become obvious at the time when performance data for the period ending 30 June 2000 are available.

8. The Committee also welcomes the efforts made by the Secretariat to improve the revised budget reports. The Committee notes that attempts have been made to refrain from resubmitting the entire budgets, focusing the presentation mainly on the additional requirements of the revised budget. Nevertheless, in the view of the Committee, there may be a need for further simplification of some redundant narratives that state what is obvious from the

tables and the annexes (see, for example, the report on MIPONUH (A/53/789)). In future presentations, such narratives could be omitted from the reports.

9. A summary of the financial performance for the period from 1 July 1997 to 30 June 1998 is contained in annex III to the present report. For the peacekeeping operations listed in that annex, expenditures amounted to $845,621,000, including the absorption of the cost of the United Nations Logistics Base at Brindisi amounting to $10,835,100, against appropriations of $910,285,900 for the period, leaving an unencumbered balance of $64,664,900. As may be seen from annex I, the unliquidated obligations for the period ending 30 June 1998 amounted to $246,420,800 (or 29.2 per cent of the expenditure), as reflected in the performance reports. As at 28 February 1999 for the field and 18 March for Headquarters, unliquidated obligations amounted to $93,556,457. The Committee has commented in the past on the high level of unliquidated obligations as an indication of the need to refine the monitoring of budget implementation and disbursement. The Committee notes the efforts made to reduce unliquidated obligations but believes that there is still room for considerable improvement in respect of unliquidated obligations for commercial vendors, as well as for Governments providing troops and equipment. The Committee recalls that the Board of Auditors indicated that, for the period ending 30 June 1998, periodic reviews of unliquidated obligations had not always been carried out thoroughly and, accordingly, recommended that such reviews should be carried out periodically to confirm that only valid unliquidated obligations are retained in the accounts (A/53/5, vol. II, chap. II, paras. 25–26).

10. As shown in annex IV, total estimated budgetary requirements for the period from 1 July 1999 to 30 June 2000, as proposed by the Secretary-General in the reports for each peacekeeping operation submitted to the Committee as advance texts in February and March 1999, amount to $646,944,000 gross.

11. As indicated in paragraph 17 of the report of the Board of Auditors, $1.8 billion of assessed contributions remained unpaid as at 30 June 1998 from Member States, in spite of the obligation of Member States to pay their assessed contributions in full and on time. The Committee recommends that the Secretariat draw the attention of the General Assembly to the latest information on the status of contributions for each peacekeeping operation at the time the budgets of the missions are taken up in the General Assembly.

12. The Committee welcomes the inclusion of both budgeted and non-budgeted voluntary contributions in table 1 of the financial performance reports; however, the Committee points out that some reports do not contain full information on the contribution from the host Government. The Committee believes that further attempts should be made to standardize the presentation and full disclosure of contributions from host Governments, made both under status-of-forces agreements and on a voluntary basis, as well as from other sources in annex I to the budget reports.

13. In its previous report (A/52/860, para. 65), the Committee pointed out that the treatment of income was inconsistent in the peacekeeping budgets. Only in the case of UNDOF and UNIFIL was the income budget line broken down into staff assessment income and other income, and it has been the usual practice of the General Assembly to return the estimated "other income" to Member States when approving an annual appropriation for these operations. In all other peacekeeping budgets, only the estimated staff assessment income was shown in the budget documents; for the purpose of transparency, the Committee recommended that all peacekeeping budgets in future disclose the estimated income from both staff assessment and other sources. The Committee notes that, for the financial period 1999–2000, again only in the case of UNDOF and UNIFIL is the income budget line broken down into staff assessment and other income. The Committee reiterates its request and expects that full disclosure of miscellaneous income will appear in the peacekeeping budgets for the period from 1 July 2000 to 30 June 2001.

14. The Committee notes that the resource requirements and proposals in the budget documents are presented in a more analytical manner, often eliminating duplication that appeared in the past. The budget proposals for each mission explicitly identify any resource reduction arising from vacancy rates, the factoring in of lower than the standard cost requirement for mission appointees, the application of the most current actual unit cost, the application of past expenditure experience and the use of stock from the United Nations Logistics Base at Brindisi and from missions under liquidation.

15. Budget proposals are generally more realistic, reflecting greater accuracy in the estimation of requirements on the basis of past experience. In some missions there has been a rather limited use of standard costs, however. For example, in MIPONUH, some 29 per cent of the cost estimates are based on standard costs contained in the Standard Ratios and Standard Cost Manual, while 71 per cent cover mission-specific requirements and other items that vary from the standards (A/53/789/Add.1, para. 15), and in UNMIBH some 21 per cent of the cost estimates are based on standard costs and 79 per cent cover mission-specific

requirements and other items that may vary from the standard (A/53/800, para. 29). The Committee urges the Secretary-General to keep the Standard Ratios and Standard Cost Manual up to date and to ensure the widest possible recourse to the manual in preparing budget estimates for all missions.

16. The Committee notes that the introduction to the budget reports has been replaced with an "overview" (section I) which provides information on past expenditures, the current budget and the proposed estimates. Table 2 (human resources) of the overview shows the average number of posts budgeted for the period 1999–2000. The Committee believes that the information shown in the table could be misleading. For example, in the case of UNMIBH (A/53/800), table 2 of the overview does not reflect the proposed staffing establishment but compares the average number of budgeted posts, arrived at after application of certain vacancy rates, with the total number of posts apportioned for the current financial period and authorized by the General Assembly. Accordingly, the column "Increase/decrease over 1998/99" does not correctly reflect the changes in the proposed staffing requirements over the authorized level of personnel. The Committee requests that changes be made to the structure of the table so that it will show the proposed staffing requirements and the changes over the authorized level of personnel for the previous financial period.

17. With regard to levels of troops, military observers and civilian police, the Committee recommends that a clear distinction be made between the levels authorized by the Security Council and the levels planned and budgeted by the Secretariat.

18. The Committee notes that the budget reports contain a new section on contingent-owned equipment (section VII), which provides information on reimbursement options used and other applicable mission factors. The Committee recommends that the reports include in the future for each mission a clear explanation of the method of reimbursement for contingent-owned equipment, that is, whether the new or the old procedure was used for each troop-contributing country and details of the relevant mission factors employed.

19. The Committee exchanged views with the representatives of the Secretary-General on the subject of delays in deployment of additional police monitors in some missions, such as UNMIBH, and was informed of steps taken to address this problem. The Committee is of the view that, taking into account the continuing use of civilian police in peacekeeping operations and the fact that requirements can vary from mission to mission, there is a need to improve the present arrangements for notification of Member States about police requirements, as well as for timely and better pre-screening, selection and training. To this end, Member States should receive adequate information on mission-specific requirements, including special skills and experiences. Improvements would lead to efficiency in management of police by reducing, for example, the number of untimely repatriations even though their cost is paid or reimbursed by contributing Member States. The Committee was provided with statistics for 1998 on responsibility for repatriation of civilian police and military observers (see annex II).

20. The Committee notes that salary cost estimates for international staff were adjusted in some missions, such as UNMIBH, taking into account past experience in the implementation of the budget. Salary estimates were calculated more accurately taking into account the non-entitlement to post adjustment of Professional staff and Field Service staff classified as mission appointees. Similarly, common staff costs for international staff were also calculated at a reduced rate owing to the high number of mission appointees. The Committee points out that salary and common staff cost adjustments were not implemented in all missions with a large percentage of international staff classified as mission appointees (for example, UNMOT). The Committee recommends that this adjustment be implemented in all budgets where mission appointees are a significant percentage of the international staff.

21. The Committee also requested additional information on the use of mission appointees and was informed that there are no staff under the 300-series rules in the United Nations Truce Supervision Organization (UNTSO), UNIFIL, UNDOF, UNFICYP or the Logistics Base at Brindisi, since they are considered established duty stations. However, the Committee was further informed, upon inquiry, that there are no operational impediments to the hiring of 300-series employees.

22. From the additional information provided to it for each mission, the Committee noted that staff assessment of local staff was miscalculated (for example, in the case of MIPONUH) and that large increases in staff assessment of local staff were not explained (for example, in the case of UNTAES). The Committee believes that there is a need to refine the current methods of computing staff assessment of local staff and to improve the explanation of variances in the estimates of income and expenditure under this item. Annex V to the present report gives the vacancy rates for civilian personnel during the period ending 30 June 1998.

23. The Committee recalls that it had requested that the Secretariat review the application of the methodology and procedures used in local salary surveys so that anomalies leading to inflated salaries would be corrected (A/52/860, para. 37). The Committee was informed that the International Civil Service Commission had reviewed the methodology for local salary surveys and made pertinent changes, broadening the sample of employers to include public sector employers among the comparators used for the surveys.

24. The Committee was informed that there had been a review of the conversion of international General Service posts to local level posts wherever feasible; however, the number of posts converted was limited to five posts in UNMIBH. The Committee recommends that further efforts be made to identify which tasks in peacekeeping missions can be performed by local staff, with the realization of attendant savings.

25. Annex II.C to the budget reports provides details on requirements for non-recurrent costs, including replacement and proposed acquisition of additional items, as compared to current inventory. The Committee points out that, for the purpose of budget review, the information on inventory was of limited use since it could not be compared with the inventory provided to the Committee for the period ending 30 June 1998. The format of the presentation of the end-of-year inventory is different from the format in annex II.C. The Committee was informed that this was because there had in the past been no inventory database that could provide standard information for the purpose of inventory control, management and reporting. The Committee notes the intention of the Secretary-General (A/53/854, para. 12), and trusts that, with the Field Assets Control System, information on inventory will in future be presented in a standard and simplified format both in reports on budget performance and in budget estimates.

26. The Committee recalls that in the past it has indicated that inventory management and control need further improvement. Often information on inventories included in the reports lacks uniformity and is of poor quality. The Committee believes that further refinements, in particular in the inventory classification system, are needed. The Committee stresses, once again, the importance of establishing an accurate inventory of assets with proper classification, value and coding, including remaining useful life.

27. According to the Secretary-General, a review of all peacekeeping computer assets and operations in each of the field missions was undertaken and completed during 1998 to ensure that all computer operations would be year 2000 compliant and run without problems after 31 December 1999 (see A/53/800, para. 33). The Committee notes that in various missions large provisions are proposed for the replacement of data-processing equipment to ensure year 2000 compliance (for example, UNIFIL). The Committee is of the opinion that only equipment critical to the operations of the mission should be replaced on a priority basis; other equipment should be retained until it is due for replacement.

28. The Committee was provided with additional information on steps taken within the Field Administration and Logistics Division of the Department of Peacekeeping Operations to resolve the year 2000 date conversion problem of computers. The Committee notes the measures taken so far; however, much remains to be done.

29. The Committee is of the view that there is a need to have in place contingency plans to address situations which might arise in cases where the measures instituted by the United Nations for its own internal compliance and/or the availability of basic utilities could be compromised by lack of year 2000 compliance in data-processing equipment of external entities with which the United Nations interacts. The Committee recalls its recommendation (A/53/513, para. 16) that a progress report on the issue of year 2000 compliance be submitted to it by May 1999. The Committee will revert to this subject when it receives the progress report of the Secretary-General.

30. The Committee notes that in some missions additional requirements for electronic data-processing equipment resulted from the need to replace assets lost or stolen in the mission area. The Committee reiterates the importance of ensuring the safety of United Nations assets and the need to have accountability procedures in place to deter and penalize those responsible for the losses of United Nations property.

31. The Committee requests that a plan and a timetable for the implementation of the Integrated Management Information System in the field missions be prepared.

32. The Committee notes that additional requirements were incurred in a number of missions, as a result of cancellation by a contractor who could not provide services stipulated in the initial contract. Examples can be found under air operations in MINUGUA and under support services in MONUA (see also the report of the Board of Auditors (A/53/5, vol. II, chap. II, paras. 97–109). The Committee recommends that any contract entered into by the Organization with vendors include appropriate penalty clauses or an escrow arrangement to protect the mission in

case of breach of contract, thus avoiding the possibility of incurring additional unnecessary expenditures.

33. The Committee notes that in some cases savings were achieved because of non-utilization of resources for procurement purposes. The Committee was informed that in a number of cases procurement of equipment was postponed because needs were being reviewed. In the case of UNIKOM, for example, procurement of communications equipment was postponed because the efficacy and cost-benefit effect of change from analog to digital equipment was under review. The Committee is of the opinion that there is a need to improve planning so that estimates for procurement can be more accurate.

34. The Committee also notes that, in the case of UNIKOM, there were savings in respect of air operations, due in part to the inclusion in the contract of the aircrew subsistence allowance. The Committee recommends that in future other missions explore the possibility of including aircrew subsistence allowance in the contract for air operations. The Committee requests the Secretariat to report on this question in the context of future budgets.

35. The Committee commends the Secretariat for implementation of a global purchase order under which vehicles were purchased at a lower price than the standard cost utilized in the preparation of the budget. The Committee recommends that the Secretary-General look into the possibility of negotiating the inclusion of spare parts, as a next step to the global system contract for the purchase of vehicles.

36. The Committee is of the view that there is a need to improve the recording and accounting for support services provided to other entities of the United Nations system in the mission area, including those provided to non-United Nations bodies.

37. For the financial period from 1 July 1997 to 30 June 1998, peacekeeping missions were requested to identify savings in order to absorb their respective share of the pro-rated cost of the maintenance of the United Nations Logistics Base at Brindisi. The Committee was informed that, taking into account its prior recommendations, for the period from 1 July 1998 to 30 June 1999, the procedure calls for Headquarters to deduct the portion related to the cost of the Base before allotments are made to each mission, in order to ensure that each mission bears its share of the cost of the operation of the Base.

38. The Committee commends the Secretariat for the quality of the report and the progress made in the management of the disposal of the assets of missions such as UNTAES. The efficiency of the operation is reflected in the number of items transferred to other missions and the United Nations Logistics Base. The Committee trusts that lessons learned in the liquidation of UNTAES will be used as well in other missions. The Committee also notes the benefit, as indicated in its report on UNTAES (A/52/859, para. 19), of leaving a sufficient number of qualified staff in the mission area to perform liquidation tasks.

39. In connection with delegation of authority to local property survey boards in peacekeeping missions (see also the report of the Board of Auditors (A/53/5, vol. II, chap. II, paras. 124–128), the Committee was informed that, with a view to expediting administrative work involved in the disposition of assets, missions have been granted an increased threshold authority for United Nations and contingent-owned equipment. Under the new delegation of authority, local property survey boards are allowed to handle cases involving values up to $25,000. For example, UNOMIL was granted an increased authority in the range of $5,000 to $25,000 in the second half of 1997. The Committee notes that the Board of Auditors will monitor and evaluate the impact of this delegation of authority on the processing of property survey board cases in its future audits. Upon request, the Committee was provided with a table showing dates of increase of threshold authority in other missions (see annex VI).

40. The Committee requested information on the procedures being followed for the disposal of old vehicles in the mission area. Old vehicles slated for replacement under the vehicle replacement programme are sold "as is, where is" (without cannibalization) by competitive bidding. If the vehicles are damaged and deemed to be unrepairable or beyond economical repairs, they are cannibalized to retrieve re-usable parts for other repairs. The Committee understands that remaining scrap or junk is accumulated for extended periods at scrap yards awaiting disposal. The Committee recommends that a study be made to determine the most effective way of disposing of unusable vehicles. The Committee urges regional cooperation among UNTSO, UNIFIL, UNDOF and UNFICYP.

41. The Committee was informed that the missions are obliged to return contingent-owned equipment to the troop-contributing countries, even if the equipment is obsolete and in a condition to be written off (see A/53/895/Add.3, para. 7). The Committee recommended that the matter be reviewed, with a view to devising a more practical and economical procedure.

42. The Committee recalls that it noted a considerable rate increase for worldwide third-party liability coverage of

vehicles in several missions, such as UNIKOM and UNIFIL (A/52/860, para. 60), resulting from the high number of incidents in the past, and the fact that various missions are located in high-risk areas. The Committee requested that measures be taken to control the sharp increases in mission vehicle insurance costs, both by stricter safety and security measures in the missions and through negotiation of rates with insurance providers. The Committee notes that, for the budget period from 1 July 1999 to 30 June 2000, requirements under vehicle insurance have been reduced in some missions, such as UNDOF, resulting from local insurance arrangements, instead of the use of the worldwide vehicle third-party liability insurance programme. The Committee welcomes these arrangements and trusts that wherever cost-effective they be instituted in other missions on a case-by-case basis.

III. Other matters

Financing of the United Nations Operation in Somalia, the United Nations Mission in Haiti, the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and United Nations Peace Forces headquarters and the United Nations Assistance Mission for Rwanda

43. The Committee exchanged views with representatives of the Secretary-General on notes by the Secretary-General on the financing of the United Nations Operation in Somalia (A/C.5/53/52); the United Nations Mission in Haiti (A/C.5/53/55); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and United Nations Peace Forces headquarters (A/C.5/53/56); and the United Nations Assistance Mission for Rwanda (A/C.5/53/57).

44. The Committee was told that the purpose of the notes was to inform the General Assembly about the status of the liquidation of the missions and the reasons for the delays, and to indicate what remained to be done before final reports were submitted to the Assembly. In its preliminary review of the notes, the Committee also bore in mind the observations of the Office of Internal Oversight Services in its report (A/53/428, annex, paras. 33–36).

45. The Committee commends the Secretariat for the progress made. It notes that, pursuant to recent decisions of the General Assembly concerning contingent-owned equipment and death and disability, recommendations and observations of the Committee, the Board of Auditors and the Office of Internal Oversight Services, considerable progress has been made in managing the liquidation of peacekeeping missions more effectively. The Committee understands that lessons learned in asset disposal in the United Nations Peace Forces headquarters and UNTAES have been applied to other missions and that as a consequence guidelines to govern the liquidation process have been prepared.

46. The Committee notes that the provisions concerning contingent-owned equipment and death and disability of General Assembly resolutions 50/222 of 11 April 1996, 51/218 E of 17 June 1997 and 52/177 of 18 December 1997 are beginning to improve efficiency in processing claims from Member States. The Committee was informed that the bulk of delays in processing claims related to clearing claims under the old death and disability procedures. In the light of these improvements, the Committee requested a detailed justification of all staff involved in contingent-owned equipment and death and disability claims which clearly identifies those dealing with disputed claims under the old system. The information had not been received at the time of the approval of the present report.

47. On the basis of testimony from representatives of the Secretary-General, the Committee believes that communication between the Secretariat and Member States needs improvement so that Member States are fully aware of what is expected of them. The Committee stresses the importance of including in the relevant memoranda of understanding clear information on the obligations of the Secretariat and Member States, including the five-year period for submission of claims.

48. The Committee recommends that, in conjunction with the submission of the final reports on the above-mentioned missions, the Secretary-General provide information on the guidelines which have already been developed for the liquidation of United Nations peacekeeping missions. Information should also be provided on what further steps would be taken, both by the Secretariat and the General Assembly, to increase the efficiency and timely liquidation of missions. In view of the new procedures for the settlement of claims relating to contingent-owned equipment and death and disability, the Secretariat should review the need to continue the suspension of regulations 4.3 and 4.4 of the Financial Regulations and report to the General Assembly at its fifty-fourth session.

Losses of United Nations property of peacekeeping operations

49. The Committee considered the report of the Secretary-General on losses of United Nations property of peacekeeping operations (A/53/340). As defined in the report, "United Nations property losses" are losses of non-expendable items valued at $1,500 or more per unit at the time of purchase or acquisition, and special items that are considered to be of an attractive nature with a minimum value of $500 or more, including such items as televisions, video equipment and cameras.

50. The Committee notes that the report covers a period of three years, from 1 January 1993 to 31 December 1995, and recommends that data in the report should be updated to cover the period from 1 January 1996 to 31 December 1997.

51. As indicated in paragraph 5 of the report, losses of property that has been written off the records of the Organization include those caused by accidents, acts of war or hostilities, and negligence, as well as those categorized as unaccounted for, concerning assets which could not be located or for which no cause of loss could be determined.

52. According to paragraph 5 (c) of the report, losses due to negligence involve cases directly attributable to gross carelessness of mission personnel, particularly where the responsible party or parties were identified and/or where assessments were imposed against the responsible party. In the view of the Committee, this definition is not clear, particularly as to the use of the phrase gross carelessness; also left unclear is the relation between this definition and the threshold of gross negligence, which is not referred to in the document.

53. Paragraphs 15 to 30 of the report deal with measures instituted to limit losses, comprising personnel, material security measures and administrative measures. The material security measures involved the installation of perimeter fencing, including barbed wire fencing to discourage intrusion; lighting during all hours of darkness; motion detectors, alarms, security surveillance cameras, and locks on doors and windows of offices where valuable items are either in daily use or stored; and provision of safes for storage of particularly valuable or sensitive items. In connection with the prevention of theft of vehicles, measures instituted included distribution of strict instructions to use steering wheel locks and provision of secure parking areas; installation of an electronic tracking system known as "CarLog" in the mission vehicles in United Nations Peace Forces headquarters which allow the mission to record electronically the times when engines are started and shut off; and the establishment of the field assets control system approved by the General Assembly in its resolution 52/1 of 3 November 1997, which enables missions to maintain accurate inventory records and computerize inventory-keeping. The Committee recommends that there is a need to establish standard forms and deadlines for reporting losses and that such losses should be included in performance reports.

54. The Committee notes from annex I to the report (A/53/340) that significant progress has been made in categorizing losses by cause for the various peacekeeping classes of assets, specifying quantity, inventory value and residual value. The Committee trusts that, in the future, reports on the final disposition of the assets of closing missions will include a clear explanation of the losses caused by hostilities and theft and those resulting from write-offs including losses from negligence.

55. In connection with the action that the General Assembly may take at its fifty-third session on the loss of United Nations assets in peacekeeping operations, the Committee recommends that the General Assembly take note of the report of the Secretary-General (A/53/340).

Notes

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 5* (A/53/5), vol. II.

Annex I

Unliquidated obligations for the period from 1 July 1997 to 30 June 1998

(United States dollars)

Mission	*As per performance report* [a]	*Percentage of apportionment*	*Current status* [b]
MINURCA	13 408 400	72	6 064 900
MINURSO	9 464 000	20	3 316 300
MONUA	47 011 500	27	22 989 400
UNOMIL [c]	872 000	10	768 945
UNSMIH/UNTMIH/MIPONUH	5 146 800	18	1 991 200
UNTAES/Support Group	27 618 900	22	21 560 000
UNMIBH	16 198 000	9	6 461 365
UNPREDEP	14 476 300	31	6 680 157
UNOMIG	4 168 500	22	3 043 772
United Nations Logistics Base at Brindisi	1 841 900	25	992 553
UNMOT	3 540 100	24	1 228 418
UNIKOM	15 967 800	32	3 888 929
UNIFIL	55 667 200	45	8 511 478
UNDOF	14 517 600	43	3 773 475
UNFICYP	16 521 800	34	2 285 565
Total	**246 420 800**		**93 556 457**

[a] A good part of the unliquidated obligations is related to provision for reimbursement of Member States for troop costs, contingent-owned equipment and the like.

[b] As at 28 February 1999 for the field and 18 March for Headquarters.

[c] Excluding $499,000 in unliquidated obligations related to expenditure for the electoral process.

Annex II

Responsibility for repatriation

Mission	*Government*	*United Nations*	*Total*
Civilian police			
MINURSO	3	1	4
MONUA	3	7	10
UNTAES/Support Group	4	4	8
UNMIBH	786	31	817
UNPREDEP	1	–	1
UNSMIH/UNTMIH/MIPONUH	1	12	13
UNFICYP	–	1	1
Military observers			
UNIKOM	3	13	16
UNMOT	1	–	1
UNMIBH	2	–	2

Annex III

Financial performance for the period from 1 July 1997 to 30 June 1998[a]

(Thousands of United States dollars)

Mission	(1) Secretary-General's budget	(2) Reduction recommended by Advisory Committee	(3) General Assembly appropriation	(4) Absorption for Logistics Base	(5) Unencumbered balance	(6) Variance (2)+(4)+(5)	(7) Variance (percentage) (6):(1)
MINURCA[b]	19 808.6	1 248.0	18 560.6	–	1 893.0	3 141.0	15.9
MINURSO[c]	46 280.1	–	46 280.1	646.7	6 523.2	7 169.9	15.5
MONUA[d]	180 689.0	5 689.0	175 000.0	2 404.3	4 571.9	12 665.2	7.0
UNOMIL[e f]	8 194.2	–	8 194.2	–	154.2	154.2	1.9
UNSMIH/ UNTMIH/ MIPONUH[g h]	28 318.9	–	28 318.9	476.1	906.8	1 382.9	4.9
UNTAES/ Support Group[i]	138 915.8	4 091.0	134 824.8	1 774.0	15 247.3	21 112.3	15.2
UNMIBH[j]	189 135.6	17 135.6	172 000.0	2 585.0	21 752.9	41 473.5	21.9
UNPREDEP[k]	49 474.8	4 874.8	44 600.0	650.0	6 895.7	12 420.5	25.1
UNOMIG[l m]	17 815.2	–	17 815.2	276.0	(290.2)	(14.2)	-0.1
UNMOT[n]	22 282.1	7 590.1	14 692.0	230.3	2 408.4	10 228.8	45.9
UNIKOM	50 653.0	1 117.6	49 535.4	679.2	3 395.5	5 192.3	10.3
UNIFIL	122 166.0	131.0	122 035.0	–	(57.6)	73.4	0.1
UNDOF	32 368.0	–	32 368.0	458.6	1 085.3	1 543.9	4.8
UNFICYP	50 320.4	4 258.7	46 061.7	654.9	178.5	5 092.1	10.1
Total	**956 421.7**	**46 135.8**	**910 285.9**	**10 835.1**	**64 664.9**	**121 635.8**	**12.7**

[a] Figures are shown in gross amounts and exclude amounts for the support account for peacekeeping operations.

[b] For the period from 27 March to 30 June 1998. Excludes budgeted voluntary contribution in kind of $916,900.

[c] Original budget of $29,107,800 was increased following the adoption of Security Council resolution 1133 (1997) of 20 October 1997, by which the Council approved the resumption of identification activities, and resolution 1148 (1998) of 26 January 1998, by which it approved the deployment of an engineering unit for demining activities.

[d] Original budget of $162,138,000 was increased following the adoption of Security Council resolution 1149 (1998) of 27 January 1998, by which the Council approved the retention of the military task force.

[e] Original budget of $19,688,400 was decreased following the adoption of Security Council resolution 1116 (1997) of 27 June 1997, by which the Council extended the mandate until 30 September 1997 on the understanding that it would expire on that date.

[f] General Assembly appropriation (column 3) excludes authorization of $3,273,800 provided by the Advisory Committee to support the electoral process in Liberia from resources approved for the period from 1 July 1996 to 30 June 1997, against which expenditure of $1,228,900 has been recorded, resulting in unutilized balance of $2,044,900.

[g] Original budget of $14,530,000 was increased following the adoption of Security Council resolution 1123 (1997) of 30 July 1997, by which the Council established UNTMIH and resolution 1141 (1997) of 28 November 1997, by which it established MIPONUH.

[h] Excluding budgeted voluntary contributions in kind totalling $1,999,900.

[i] Original budget of $266,619,500 was reduced following the adoption of Security Council resolution 1145 (1997) of 19 December 1997, by which the Council noted the termination of UNTAES on 15 January 1998 and established, with effect from 16 January 1998, a support group of 180 civilian police monitors.

[j] General Assembly appropriation (column 3) excludes authorization of $10,608,000 provided by Assembly decision 52/437 of 18 December 1997, which was not utilized.

[k] Original budget of $44,298,000 was increased following the adoption of Security Council resolution 1105 (1997) of 9 April 1997, by which the Council decided to suspend the reduction of the military component of the Force.

[l] Excluding authorization of $1,653,600 provided by the Advisory Committee to cover the acquisition and operating costs of 15 ballistic-protective vehicles and one ambulance.

[m] Excluding budgeted voluntary contributions in kind totalling $2,057,600.

[n] Original budget of $7,967,700 was increased following the adoption of Security Council resolution 1138 (1997) of 14 November 1997 by which the Council expanded the mandate and strength of UNMOT.

Annex IV

Estimated gross budgetary requirements proposed by the Secretary-General for each peacekeeping operation for the period from 1 July 1999 to 30 June 2000

(United States dollars)

MINURCA[a]	28 000 000
MINURSO	49 023 000
MIPONUH	17 532 200
MONUA[b]	
UNMIBH	168 234 000
UNPREDEP	51 775 500
UNOMIG	29 156 400
UNOMSIL	16 412 400
UNMOT	19 109 400
UNIKOM	50 777 800
UNIFIL	140 044 200
UNDOF	33 247 500
UNFICYP	43 631 800
Total	**646 944 200**

[a] Preliminary projections, 1 July to 30 November 1999 only.

[b] The budget of the Mission, including liquidation, is yet to be submitted.

Annex V

Vacancy rates

Vacancy rates in peacekeeping operations for the period from 1 July 1997 to 30 June 1998

Peacekeeping operation	*Vacancy factor applied in the initial budget estimates (percentage)*	*Actual average vacancy rate (percentage)*
UNIFIL		
Professional	5	18
General Service/Field Service	5	9
Local	0	(4)
UNDOF		
Professional	0	0
General Service/Field Service	0	11
Local	0	2
UNFICYP		
Professional	0	0
General Service/Field Service	0	6
Local	0	6
UNIKOM		
Professional	5	30
General Service/Field Service	5	20
Local	5	12
UNMOT[a]		
Professional	0	29
General Service/Field Service	0	22
Local	0	26
MINURCA[b]		
Professional	15	47
General Service/Field Service	15	42
Local	10	38
MINURSO[c]		
Professional	15	38
General Service/Field Service	15	3
Local	10	8
MONUA[d]		
Professional	0	1
General Service/Field Service	0	4
Local	0	2

Peacekeeping operation	*Vacancy factor applied in the initial budget estimates (percentage)*	*Actual average vacancy rate (percentage)*
UNTAES[e]		
Professional	15	12
General Service/Field Service	20	1
Local	20	5
Support Group [f]		
Professional	0	6
General Service/Field Service	0	14
Local	0	5
UNMIBH[g]		
Professional	4	17
General Service/Field Service	4	24
Local	1	7
UNPREDEP		
Professional	0	43
General Service/Field Service	0	5
Local	0	16
UNOMIG		
Professional	10	17
General Service/Field Service	10	5
Local	10	0
UNSMIH/UNTMIH/MIPONUH		
Professional	0	3
General Service/Field Service	0	3
Local	0	0
United Nations Logistics Base[h]		
Professional	0	25
General Service/Field Service	0	2
Local	0	11

[a] A 10 per cent vacancy factor was applied both for international and local staff for the initial cost estimate for the expansion of UNMOT for the period from 15 November 1997 to 30 June 1998.

[b] For the period from 15 April to 30 June. Reflects phasing-in of civilian staff.

[c] Taking into account actual incumbency for the period from 1 July 1997 to 31 January 1998, as indicated in the revised budget for the period from 1 July 1997 to 30 June 1998 (A/52/730/Add.2); vacancy factor relates to the period from 1 February to 30 June 1998 only.

[d] Taking into account actual incumbency for the period from 1 July to 31 December 1997, as indicated in the revised budget for the period from 1 July 1997 to 30 June 1998 (A/52/799).

[e] Based on the revised cost estimates contained in A/52/801, for which the General Assembly provided a reduced appropriation.

[f] Covering the period from 16 January to 30 June 1998.

[g] Vacancy rates are equivalent to phasing-in schedule.

[h] By its resolution 52/1 of 15 October 1997, the General Assembly converted 7 General Service posts to local level.

Annex VI

Increase in delegated authority for United Nations and contingent-owned equipment, effective 1 October 1998

(United States dollars)

A. United Nations and contingent-owned equipment

Mission	*Date*	*Present delegated authority for United Nations-owned equipment*	*New threshold range of delegated authority for United Nations and contingent-owned equipment*
UNIKOM	14 April 1992	1 500–6 000	1 500–25 000
UNDOF	14 April 1992	1 500–6 000	1 500–25 000
MINURSO	14 April 1992	1 500–6 000	1 500–25 000
UNIFIL	14 April 1992	1 500–6 000	1 500–25 000
UNIFYCP	14 April 1992	1 500–6 000	1 500–25 000
United Nations Peace Forces headquarters[a]	13 June 1996	3 000–25 000	1 500–25 000
UNPREDEP	1 July 1996	1 500–6 000	1 500–25000
UNTAES[a]	26 September 1997	5 000–25 000	1 500–25 000
MONUA	26 September 1997	5 000–25 000	1 500–25 000
UNTMIH/MIPONUH	22 February 1998	1 500–6 000	1 500–25 000
MINURCA	8 April 1998	1 500–6 000	1 500–25 000
UNOMSIL	29 July 1998	1 500–6 000	1 500–25 000

[a] Missions closed but some cases still in process.

B. United Nations-owned equipment

Mission	*Date*	*Present delegated authority for United Nation-owned equipment*	*New threshold range of delegated authority for United Nations-owned equipment*
UNMOGIP	14 April 1992	1 500–6 000	1 500–25 000
UNTSO	14 April 1992	5 000–25 000	1 500–25 000
MINUGUA	24 May 1995	1 500–6 000	1 500–25 000
UNOMIG	24 May 1995	1 500–6 000	1 500–25 000
UNMOT	20 January 1996	1 500–6 000	1 500–25 000
UNMIBH	21 July 1996	1 500–6 000	1 500–25 000
Office of the United Nations Special Coordinator in the Occupied Territories	19 August 1996	1 500–6 000	1 500–25000
Office of the Humanitarian Coordinator in Iraq	30 April 1997	1 500–6 000	1 500–25 000
United Nations Logistics Base	18 November 1997	5 000–25 000	1 500–25 000
Civilian Police Support Group	20 September 1998	1 500–6 000	1 500–25 000